

DESK REVIEW CHECKLIST
FISCAL YEAR 2021-22
K-12 LOCAL EDUCATION ENTITIES

The objective of this review is to ensure that the audit report meets applicable professional reporting standards, the single audit reporting requirements, and the state program compliance requirements included in the *2021-22 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, (2021-22 K-12 Audit Guide) published by the Education Audit Appeals Panel, March 1, 2022.

Independent Auditor's Report on the Financial Statements

1. Does the audit report include the *Independent Auditor's Report* on the financial statements? [AU-C §700.22]
2. Does the auditor's report include a section with the heading "Opinion?" [AU-C §700.24]
3. Does the opinion paragraph of the auditor's report clearly identify whose financial statements have been audited, state that the financial statements have been audited, identify the title of each statement that the financial statements comprise, either specifically or by reference to the table of contents, refer to the notes, and specify the date or period covered? [AU-C §700.25 and AU-C §700.A27-A29]
4. Does the auditor's opinion state that, in auditor's opinion, the accompanying financial statements present fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America? [AU-C §700.26-27 and AU-C §700.A30-33]
5. Does the auditor's report include a section, directly following the "Opinion" section, with the heading "Basis for Opinion?" AU-C §700.28 and AU-C §700.A35-39]
6. If the auditor modifies the opinion on the financial statements:
 - a. Does the auditor's report include a heading "Qualified Opinion," "Adverse Opinion," or "Disclaimer of Opinion," as appropriate? [AU-C §705.17-20]
 - b. Does the auditor's report include a paragraph describing the matter giving rise to the modification immediately after the opinion paragraph and use the heading "Basis for Qualified Opinion," "Basis for Adverse Opinion," or "Basis for Disclaimer of Opinion," as appropriate? [AU-C §705.21-30]
7. Does the auditor's report include a section with the heading "Responsibilities of Management for the Financial Statements?" [AU-C §700.31-33]
8. Does the auditor's report include a section with the heading "Auditor's Responsibilities for the Audit of the Financial Statements?" [AU-C §700.34-37]
9. Does the auditor's report include a section with the heading "Required Supplementary Information?" [AU-C §730.07-09]

10. Does the auditor's report include a section with the heading "Supplementary Information?" [AU-C §725.09-13]
11. Does the auditor's report include a section with the heading "Other Matters," or other appropriate heading? [AU-C §706.10-11]
12. Does the auditor's report include a section with the heading "Other Reporting Required by *Government Auditing Standards*," or other appropriate heading? [AU-C§ 700.39]
13. Does the auditor's report include a reference to a separate report on internal control over financial reporting and on tests of the entity's compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters prepared in accordance with *Government Auditing Standards*? [GAGAS 6.39 – 6.43]

Management's Discussion and Analysis

14. Does the audit report include a *Management's Discussion and Analysis*? [GASB 2200.106]
 - a. If the audit report does not contain a *Management's Discussion and Analysis*, is there an explanatory paragraph in the *Independent Auditor's Report*? [AU-C §730.08]

Basic Financial Statements for Charter Schools Identified as Not-For-Profit Entities

15. Is the *Statement of Financial Position* presented properly? [FASB ASC 958-205-45-4]
16. Is the *Statement of Activities* presented properly? [FASB ASC 958-205-45-4]
17. Is the *Statement of Cash Flows* presented properly? [FASB ASC 958-205-45-4]

Basic Financial Statements for All Other Entities (Including Charter Schools) Identified as Governmental Entities

18. Is the *Statement of Net Position* presented properly? [GASB 2200.115]
19. Is the *Statement of Activities* presented properly? [GASB 2200.126]
20. Is the *Balance Sheet – Governmental Funds* presented properly? [GASB 2200.162]
21. Is the *Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position* presented properly? [GASB 2200.160 and GASB 2200.164]
22. Is the *Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds* presented properly? [GASB 2200.165]
23. Is the *Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities* presented properly? [GASB 2200.160 and GASB 2200.169]
24. Is the *Statement of Fund Net Position – Proprietary Funds* presented properly? [GASB 2200.170 and GASB 2200.172]
25. Is the *Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds* presented properly? [GASB 2200.170 and GASB 2200.191]

26. Is the *Statement of Cash Flows – Proprietary Funds* presented properly? [GASB 2200.170 and GASB 2200.196]
27. Is the *Statement of Fiduciary Net Position – Fiduciary Funds* presented properly? [GASB 2200.197 and GASB 2200.198]
28. Is the *Statement of Changes in Fiduciary Net Position – Fiduciary Funds* presented properly? [GASB 2200.197 and GASB 2200.199]

Notes to the Financial Statements for Charter Schools Identified as Not-For-Profit Entities

29. Do the notes include a description of the nature of the entity's activities? [FASB ASC 958-205-50-1]
30. Do the notes include the summary of significant accounting policies? [FASB ASC 235-10-50-1]
31. Does the summary include a description of the financial statements presentation and basis of accounting? [FASB ASC 235-10-50-1 and FASB ASC 235-10-50-3]
32. Do the notes include a description of net assets and information about the nature and amounts of different types of donor-imposed restrictions? [FASB ASC 958-210-45 and FASB ASC 958-210-45-9]
33. Do the notes include adequate disclosure of capital assets and depreciation, including the method used to compute depreciation? [FASB ASC 958-360-50-1 and FASB ASC 235-10-50-3]
34. Do the notes include adequate disclosure of debt and other liabilities? [FASB ASC 470-10-50]
35. Do the notes include adequate disclosure of related-party transactions and common control? [FASB ASC 850-10-50]
36. Do the notes include adequate disclosure of pension benefits? [FASB ASC 715-80-50]

Notes to the Financial Statements for Entities (Including Charter Schools) Identified as Governmental Entities

37. Do the notes include the summary of significant accounting policies? [GASB 2300.106]
38. Does the summary include a description of the government-wide financial statements, noting the exclusion of fiduciary funds? [GASB 2300.106]
39. Does the summary include a description of the component units, their relationships to the primary government, and how to obtain separate financial statements for component units? [GASB 2300.106]
40. Do the notes include the nature of the primary government's accountability for related organizations and joint ventures, if any? [GASB 2300.107]

41. Do the notes include the measurement focus and basis of accounting used in the government-wide and fund financial statements? [GASB 2300.106]
42. Do the notes include adequate disclosure of capital assets and depreciation, including the method used to compute depreciation? [GASB 2300.106 and GASB 2300.118]
43. Do the notes include adequate disclosure of long-term liabilities, including a schedule of changes in long-term debt and a statement of debt service requirements to maturity for outstanding long-term debt? [GASB 2300.106 and GASB 2300.120]
44. Do the notes disclose deficit fund balances or net position of individual funds, if not apparent on the face of the financial statements? [GASB 2300.106]
45. Do the notes include adequate disclosure of pension obligations? [GASB 2300.106 and GASB P20]
46. Do the notes include adequate disclosure of other postemployment benefit (OPEB) obligations? [GASB 2300.106, GASB P50, and GASB P52]
47. If the Local Education Agency (LEA) is participating in the early retirement incentive program in accordance with California Education Code (EC) section 14502.1(c) requirements, do the notes include disclosure of the LEA's participation?
 - a. Does the early retirement note include all of the required disclosures? [2021-22 K-12 Audit Guide, Part J, Early Retirement Incentive, 4]:
 - 1) The number and type of positions vacated?
 - 2) The age and service credit of the retirees receiving the additional service credit provided by EC sections 22714 and 44929?
 - 3) A comparison of the salary and benefits of each retiree receiving the additional service credit with the salary and benefits of the replacement employee, if any?
 - 4) The resulting retirement cost, including interest, if any, and post-retirement health care benefits costs, incurred by the employer?
48. Do the notes adequately disclose material prior-period restatements or adjustments? [GASB 2250.125 and GASB 2300.107]

Required Supplementary Information Section

49. Does the audit report include a schedule of budgetary comparison data for the General Fund and any major special revenue funds that have legally adopted budgets? [GASB 2200.206]
 - a. Is the schedule of budgetary comparison shown by object? [2021-22 K-12 Audit Guide, Report Components 3.]
50. Does the audit report include a 10-year schedule of the entity's proportionate share of the net pension liability and a 10-year schedule of the entity's contributions for each pension plan? [GASB P20.183a and GASB P20.183b]

51. If the entity sponsored a defined benefit OPEB plan that meets the criteria in GASBS 75, paragraph 4, does the audit report include the following schedules:
- a. A 10-year schedule of the entity's OPEB liability, changes in the net OPEB liability, or entity's proportionate share of the net OPEB liability? [GASB P50.154a, GASB P50.154b, GASB P50.197a, and GASB P52.139]
 - b. A 10-year schedule of the entity's OPEB contributions? [GASB P50.154c, GASB P50.154d, and GASB P50.197b]

Supplementary Information Section

52. Does the supplementary information section include a *Local Education Agency Organization Structure* description? [2021-22 K-12 Audit Guide, Report Components 4.a.]
- a. Does the LEA organizational structure description include the required information? [2021-22 K-12 Audit Guide, Report Components 4.a.]
53. Does the supplementary information section include a *Schedule of Average Daily Attendance*? [2021-22 K-12 Audit Guide, Report Components 4.b.]
- a. Does the *Schedule of Average Daily Attendance* include all required information? [2021-22 K-12 Audit Guide, Report Components 4.b.]
 - b. If the school district or county office of education includes a charter school(s) in the financial statements, does the *Schedule of Average Daily Attendance* include the ADA detail for each charter school? [2021-22 K-12 Audit Guide, Report Components 4.b.]
 - c. For charter schools, does the *Schedule of Average Daily Attendance* include total ADA and the ADA generated through classroom-based instruction by grade span, as appropriate? [2021-22 K-12 Audit Guide, Report Components 4.b.]
 - d. If there are any ADA adjustments due to audit findings, does the schedule display additional columns for the Second Period and Annual reports reflecting the final ADA after audit finding adjustments, shown by grade span? [2021-22 K-12 Audit Guide, Report Components 4.b.]
54. Does the supplementary information section include a *Schedule of Instructional Time*? [2021-22 K-12 Audit Guide, Report Components 4.c.]
- a. For School Districts, including Basic Aid Districts:
 - 1) Does the schedule include, by grade level, the number of instructional minutes specified in EC sections 46207(a)? [2021-22 K-12 Audit Guide, Report Components 4.c.1]
 - 2) Does the schedule include the instructional minutes offered during the year audited showing the school with the lowest number of minutes offered at each grade level? [2021-22 K-12 Audit Guide, Report Components 4.c.2]
 - 3) Does the schedule include the number of instructional days offered during the year audited on the traditional calendar and on any multitrack year-round calendar; and does it state whether the district complied with the instructional minutes and day's provisions? [2021-22 K-12 Audit Guide, Report Components 4.c.3]

b. For Charter Schools:

- 1) Does the schedule include, by grade level, the number of instructional minutes specified in EC section 47612.5? [2021-22 K-12 Audit Guide, Report Components 4.c.4]
 - 2) Does the schedule include, by grade level, the number of instructional minutes offered during the year audited showing the school location with the lowest number of minutes offered? [2021-22 K-12 Audit Guide, Report Components 4.c.4]
 - 3) Does the schedule include, by grade level, the number of instructional days offered during the year audited on the traditional calendar and on any multitrack calendar; and does the schedule state whether the charter school complied with the instructional minutes and days provisions? [2021-22 K-12 Audit Guide, Report Components 4.c.4]
 - 4) If the school district or county office of education includes a charter school(s) in the financial statements, does the schedule include all required information for each charter school? [2021-22 K-12 Audit Guide, Report Components 4.c.4]
- c. If the schedule indicates noncompliance with time requirements, is a finding included in the Schedule of Findings and Questioned Costs? The finding must include a separate schedule for each school site, showing only those grade levels that were not in compliance, the calculation, and the amount of the penalty or penalties pursuant to EC sections 46207, 46208, and 47612.5(c). [2021-22 K-12 Audit Guide Procedure F, Instructional Time, and Procedure EE. Annual Instructional Minutes – Classroom Based]
- d. If the school district or charter school received a Form J-13A approval, does the schedule include a columns with the actual instructional minutes and days offered, columns that list the credited minutes and days per approved Form J-13A, and columns with a total amounts of minutes and days offered, adding the actual offering to the number of minutes and days credited per the approved Form J-13A.

The schedule must include a footnote stating that the school district or charter school received an approved J-13A identifying the number of minutes and days approved. [2021-22 K-12 Audit Guide, Report Components 4.b.5]

55. Does the supplementary information section include a *Schedule of Financial Trends and Analysis*? [2021-22 K-12 Audit Guide, Report Components 4.d.]
- a. If the LEA's percentage of available reserves to total General Fund outgo is below the state-recommended percentage, has management's plans for increasing the LEA's available reserve percentage been included? [2021-22 K-12 Audit Guide, Report Components 4.d.]
56. Does the supplementary information section include a *Reconciliation of Annual Financial and Budget Report With Audited Financial Statements*? [2021-22 K-12 Audit Guide, Report Components 4.e.]

57. Does the supplementary information section include a *Schedule of Charter Schools*?
[2021-22 K-12 Audit Guide, Report Components 4.g.]
- a. Does the schedule display, for each charter school, the charter school number and indicate whether or not the charter school is included in the school district or county office of education annual audit report? [2021-22 K-12 Audit Guide, Report Components 4.g.]
58. Does the supplementary information section include a *Schedule of Expenditures of Federal Awards*, if required by federal audit regulations, applicable to the year being audited?
[Uniform Guidance §200.510(b) and 2021-22 K-12 Audit Guide, Report Components 4.h.]
59. Does the schedule identify/include:
- a. Individual federal programs by federal agency? For a cluster of programs, the cluster name, individual federal programs within the cluster of programs, and the applicable federal agency name? For R & D, total federal awards expended shown either by individual federal award or by federal agency and major subdivision within the federal agency? [Uniform Guidance §200.510(b)(1)]
 - b. For federal awards received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity?
[Uniform Guidance §200.510(b)(2)]
 - c. Total federal awards expended for each individual federal program and the Assistance Listings Number (AL) or other identifying number when the AL information is not available? For a cluster of programs, the total for the cluster?
[Uniform Guidance §200.510(b)(3)]
 - d. Total amount provided to subrecipients from each federal program?
[Uniform Guidance §200.510(b)(4)]
 - e. Total federal awards expended for loan or loan guarantee programs?
[Uniform Guidance §200.510(b)(5)]
60. Do the notes to the schedule include:
- a. The balances of loan and loan guarantee programs (loans) outstanding at the end of the audit period for those loans described in 2 CFR, Part 200, section 200.502(b)? [Uniform Guidance §200.510(b)(5)]
 - b. The significant accounting policies used in preparing the schedule, and whether or not the auditee elected to use the 10% de minimis cost rate? [Uniform Guidance §200.510(b)(6)]

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

61. Does the audit report include the *Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards*?
[GAGAS 6.39 – 6.43]

62. Does the auditor's report on internal control over financial reporting and on compliance and other matters include:

- a. A title that includes the word "independent?" [AU-C §806.12(a)]
- b. A statement that the financial statements were audited in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* issued by the Comptroller General of the United States and the date of the auditor's report on those financial statements? [AU-C §806.12(c) and GAGAS 6.36]
- c. If the auditor expressed a modified opinion (a qualified opinion, an adverse opinion, or a disclaimer of opinion) on the financial statements, a description of the nature of the modification? [AU-C §806.12(d)]
- d. The definition of the term *material weakness* and, when relevant, the definition of the term *significant deficiency*? [AU-C §265.14(a)]
- e. A description of the significant deficiencies and material weaknesses and an explanation of their potential effects? [AU-C §265.14(b)]
- f. Sufficient information to enable those charged with governance and management to understand the context of the communication? Does the auditor's report include the following elements that explain that:
 - 1) The purpose of the audit was for the auditor to express an opinion on the financial statements? [AU-C §265.14(c)(i)]
 - 2) The audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of internal control? [AU-C §265.14(c)(ii)]
 - 3) The auditor is not expressing an opinion on the effectiveness of internal control? [AU-C §265.14(c)(iii)]
 - 4) The auditor's consideration of internal control was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that were not identified? [AU-C §265.14(c)(iv)]

- g. A statement that, as part of obtaining reasonable assurance about whether the entity's financial statements are free of material misstatement, the auditor performed tests of the entity's compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statements? [GAGAS 6.39 and 6.41]
- h. A statement that providing an opinion on compliance with those provisions was not an objective of the audit and that, accordingly, the auditor does not express such an opinion? [GAGAS 6.42 and 6.43]
- i. A statement that identifies whether the results of tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and, if so, describes the instances of noncompliance and other matters (including the views of responsible officials and their planned corrective action) or refers to the *Schedule of Findings and Questioned Costs* in which the noncompliance and other matters, views of responsible officials, and their planned corrective action are described? [GAGAS 6.39 – 6.44]
- j. An alert describing the purpose of the auditor's report and stating that the report is not suitable for any other purpose? [AU-C §905.11]

Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by Uniform Guidance

The *Independent Auditor's Report on Compliance For Each Major Federal Program and on Internal Control Over Compliance Required by Uniform Guidance* is required if total federal award expenditures equaled or exceeded \$750,000.

- 63. Does the audit report include the *Independent Auditor's Report on Compliance For Each Major Federal Program and on Internal Control Over Compliance Required by Uniform Guidance*? [AU-C §935.30 and AU-C §935.31]
- 64. Does the auditor's report on compliance for each major federal program and on internal control over compliance required by Uniform Guidance include:
 - a. A title that includes the word "independent"? [AU-C §935.30(a)]
 - b. A section with the heading "Report on Compliance for Each Major Federal Program?" [AU-C §935.30(c)]
 - c. A section with the heading "Opinion on Each Major Federal Program?" [AU-C §935.30(d)]
 - d. A section with the heading "Basis for Opinion on Each Major Federal Program?" [AU-C §935.30(e)]
 - e. A section with the heading "Responsibilities of Management for Compliance?" [AU-C §935.30(f) and Uniform Guidance §200.515(c)]
 - f. A section with the heading "Auditor's Responsibilities for the Audit of Compliance?" [AU-C §935.30(g)]

- g. If noncompliance results in a modified opinion, a section with an appropriate heading, indicating the basis for the modified opinion that includes a description of such noncompliance, or a reference to a description of such noncompliance in the *Schedule of Findings and Questioned Costs*? [AU-C §935.35]
- h. If other noncompliance that is required to be reported by the governmental audit requirement is identified (that is, noncompliance that does not result in a modified opinion), an other-matter paragraph that includes a description of such noncompliance or a reference to a description of such noncompliance in the *Schedule of Findings and Questioned Costs*? [AU-C §935.30(h)]
- i. A section with the heading “Report on Internal Control Over Compliance” that includes the following:
 - 1) The definition of *deficiency in internal control over compliance*, *material weakness in internal control over compliance*, and *significant deficiency in internal control over compliance*? [AU-C §935.30(i)(i)]
 - 2) A statement that the auditor’s consideration of the entity’s internal controls over compliance was for the limited purpose described in the “Auditor’s Responsibilities for the Audit of Compliance” section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Therefore, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified. [AU-C §935.30(i)(ii)]
 - 3) A description of any identified material weaknesses or significant deficiencies in internal control over compliance or a reference to the *Schedule of Findings and Questioned Costs* containing such information? [AU-C §935.30(i)(iii)]
 - 4) If no material weaknesses in internal control over compliance were identified, a statement to that effect? [AU-C §935.30(i)(iv)]
 - 5) A statement that the audit was not designed for the purpose of expressing an opinion on the effectiveness of the entity’s internal control over compliance. Accordingly, no such opinion is expressed? [AU-C §935.30(i)(v)]
- j. An alert paragraph stating that the purpose of this report on internal control over compliance is solely to describe the scope of the auditor’s testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose. [AU-C § 905.07 and AU-C §935.30(j)(ii)]

State Compliance Report

- 65. Does the audit report include the *Independent Auditor’s Report on State Compliance*? [2021-22 K-12 Audit Guide, Report Components 5.b.]
- 66. Does the auditor’s report on state compliance include:
 - a. A title that includes the word “independent?” [AU-C §935.30(a)]
 - b. A section with the heading “Report on Compliance?” [AU-C §935.30(c)]

- c. A section with the heading “Opinion?” [AU-C §935.30(d)]
- d. A section with the heading “Basis for Opinion?” [AU-C §935.30(e)]
- e. A section with the heading “Responsibilities of Management for Compliance” that includes a statement that management is responsible for compliance with applicable compliance requirements and for the design, implementation, and maintenance of effective internal control over compliance with requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the LEA’s state programs? [AU-C §935.30(f)]
- f. A section with the heading “Auditor’s Responsibilities for the Audit of Compliance” that includes the following statements:
 - 1) A statement that the auditor’s objective are to obtain reasonable assurance about whether material noncompliance with applicable compliance requirements occurred, whether due to fraud or error, and to express an opinion on the LEA’s compliance based on the compliance audit? [AU-C §935.30(g)(i)]
 - 2) A statement that reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the *2021-22 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* will always detect a material noncompliance when it exists? [AU-C §935.30(g)(ii)]
 - 3) A statement that the risk of not detecting a material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control? [AU-C §935.30(g)(iii)]
 - 4) A statement that noncompliance with the applicable compliance is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District’s compliance with the requirements of the state programs as a whole? [AU-C §935.30(g)(iv)]
 - 5) A statement that describes an audit by stating that in performing an audit in accordance with GAAS, *Government Auditing Standards*, and the *2021-22 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, auditor’s responsibilities are to:
 - Exercise professional judgment and maintain professional skepticism throughout the audit;
 - Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the LEA’s compliance with the compliance requirements referred to above and performing such other procedures as the auditor considers necessary in the circumstances;
 - Obtain an understanding of the LEA’s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in

accordance with the *2021-22 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, but not for the purpose of expressing an opinion on the effectiveness of the District's internal controls over compliance. Accordingly, no such opinion expressed; and

- Select and test transactions and records to determine the LEA's compliance with the state laws and regulations applicable to the following items:

Local Education Agencies Other Than Charter Schools

- A. Attendance
- B. Teacher Certification and Misassignments
- C. Kindergarten Continuance
- D. Independent Study
- E. Continuation Education
- F. Instructional Time
- G. Instructional Materials
- H. Ratios of Administrative Employees to Teachers
- I. Classroom Teacher Salaries
- J. Early Retirement Incentive
- K. GANN Limit Calculation
- L. School Accountability Report Card
- M. Juvenile Court Schools
- N. Middle or Early College High Schools
- O. K-3 Grade Span Adjustment
- P. Transportation Maintenance of Effort
- Q. Apprenticeship: Related and Supplemental Instruction
- R. Comprehensive School Safety Plan
- S. District of Choice

School Districts, County Offices of Education, and Charter Schools

- T. California Clean Energy Jobs Act
- U. After/Before School Education and Safety Program
- V. Proper Expenditure of Education Protection Account Funds
- W. Unduplicated Local Control Funding Formula Pupil Counts
- X. Local Control and Accountability Plan
- Y. Independent Study-Course Based
- Z. Immunizations
- AZ. Educator Effectiveness
- BZ. Expanded Learning Opportunity Grant (ELO-G)
- CZ. Career Technical Education Incentive Grant
- DZ. In Person Instruction Grant

Charter Schools

AA. Attendance

BB. Mode of Instruction

CC. Nonclassroom-Based Instruction/Independent Study

DD. Determination of Funding for Nonclassroom-Based Instruction

EE. Annual Instructional Minutes – Classroom Based

FF. Charter School Facility Grant Program

[AU-C §935.30(g)(v) and 2021-22 K-12 Audit Guide, Report Components 5.b]

- 6) A statement that the auditor is required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that the auditor identified during the audit? [AU-C §935.30(g)(vi)]
67. If noncompliance results in a modified opinion, a section with an appropriate heading, indicating the basis for the modified opinion that includes a description of such noncompliance, or a reference to a description of such noncompliance in the *Schedule of Findings and Questioned Costs*? [AU-C §935.35]
68. If other noncompliance that is required to be reported by the governmental audit requirement is identified (that is, noncompliance that does not result in a modified opinion), an other-matter paragraph that includes a description of such noncompliance, or a reference to a description of such noncompliance in the Schedule of Findings and Questioned Costs? [AU-C §935.30(h)]
69. A section with the heading “Report on Internal Control Over Compliance” that includes the following:
 - a. The definition of *deficiency in internal control over compliance*, *material weakness in internal control over compliance*, and *significant deficiency in internal control over compliance*? [AU-C §935.30(i)(i)]
 - b. A statement that the auditor’s consideration of the entity’s internal controls over compliance was for the limited purpose described in the “Auditor’s Responsibilities for the Audit of Compliance” section above, and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Therefore, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified? [AU-C §935.30(i)(ii)]
 - c. A description of any identified material weaknesses or significant deficiencies in internal control over compliance or a reference to the *Schedule of Findings and Questioned Costs* containing such information? [AU-C §935.30(i)(iii)]
 - d. If no material weaknesses in internal control over compliance were identified, a statement to that effect? [AU-C §935.30(i)(iv)]

- e. A statement that the audit was not designed for the purpose of expressing an opinion on the effectiveness of the entity's internal control over compliance. Accordingly, no such opinion is expressed? [AU-C §935.30(i)(v)]
- f. An alert paragraph that states that the purpose of this report on internal control over compliance is solely to describe the scope of the auditor's testing of internal control over compliance and the results of that testing based on the *2021-22 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Accordingly, this report is not suitable for any other purpose? [AU-C§ 905.07 and AU-C §935.30(j)(ii)]

Findings and Recommendations Section

70. Does the report include the *Schedule of Findings and Questioned Costs*?
[2021-22 K-12 Audit Guide, Report Components 6.a.]
71. If this is a single audit, does the *Schedule of Findings and Questioned Costs* include the *Summary of Auditor's Results*? [Uniform Guidance §200.515(d)(1)]
72. Does the *Summary of Auditor's Results* include the following elements:
 - a. Financial Statements
 - 1) Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP (unmodified, qualified, adverse, or disclaimer)? [Uniform Guidance §200.515(d)(1)(i)]
 - 2) Internal control over financial reporting: Material weakness(es) identified (yes or no)? [Uniform Guidance §200.515(d)(1)(ii)]
 - 3) Internal control over financial reporting: Significant deficiency(ies) identified (yes or none reported)? [Uniform Guidance §200.515(d)(1)(ii)]
 - 4) Noncompliance material to financial statements noted (yes or no)? [Uniform Guidance §200.515(d)(1)(iii)]
 - b. Federal Awards
 - 1) Internal control over major federal programs: Material weakness(es) identified (yes or no)? [Uniform Guidance §200.515(d)(1)(iv)]
 - 2) Internal control over major federal programs: Significant deficiency(ies) identified (yes or none reported)? [Uniform Guidance §200.515(d)(1)(iv)]
 - 3) Type of report the auditor issued on compliance for major programs (unmodified, qualified, adverse, or disclaimer)? [Uniform Guidance §200.515(d)(1)(v)]
 - 4) Any audit findings disclosed that are required to be reported under 2 CFR, Part 200, section 200.516 Audit Findings paragraph (a) (yes or no)? [Uniform Guidance §200.515(d)(1)(vi)]
 - 5) Identification of major programs (AL number and name of federal program or cluster)? [Uniform Guidance §200.515(d)(1)(vii)]

- 6) Dollar threshold used to distinguish between type A and type B programs? [Uniform Guidance §200.515(d)(1)(viii)]
 - 7) Auditee qualified as low-risk auditee (yes or no)? [Uniform Guidance §200.515(d)(1)(ix)]
73. If financial statement findings are identified, does each finding include the following elements:
- a. Criteria? [GAGAS 6.25]
 - b. Condition? [GAGAS 6.26]
 - c. Cause? [GAGAS 6.27 and 6.29]
 - d. Effect or potential effect? [GAGAS 6.28]
 - e. Recommendation? [GAGAS 6.52]
 - f. Views of responsible officials and planned corrective actions? [GAGAS 6.57 – 6.60]
74. If federal award audit findings are identified, does each finding include the following elements: [Uniform Guidance §200.516(b)]
- a. Federal program and specific federal award identification, including the AL title and number, federal award identification number and year, name of federal agency, and name of the pass-through entity, if applicable? [Uniform Guidance §200.516(b)(1)]
 - b. The criteria or specific requirement upon which the audit finding is based, including the federal statutes, regulations, and/or the terms and conditions of the federal awards? [Uniform Guidance §200.516(b)(2)]
 - c. The condition found, including facts that support the deficiency identified in the audit finding? [Uniform Guidance §200.516(b)(3)]
 - d. The statement of cause, identifying the reason or explanation for the condition or the factors responsible for the finding? [Uniform Guidance §200.516(b)(4)]
 - e. The possible asserted effect to provide sufficient information to the auditee and federal agency, or pass-through entity in the case of a subrecipient, to permit them to determine the cause and effect to facilitate prompt and proper corrective action? [Uniform Guidance §200.516(b)(5)]
 - f. Identification of questioned costs and how they were computed; known questioned costs identified by applicable AL number(s) and applicable federal award identification number(s)? [Uniform Guidance §200.516(b)(6)]
 - g. Information to provide proper perspective for judging the prevalence and consequences of the audit finding, such as whether the audit finding represents an isolated instance or a systemic problem? Where appropriate, instances identified are related to the universe and the number of cases examined and quantified in terms of dollar value; and include a statement as to whether the sampling was a statistically valid sample? [Uniform Guidance §200.516(b)(7)]

- h. Identification of whether the audit finding was a repeat of a finding in the immediately prior audit and, if so, the applicable prior-year audit finding number(s)? [Uniform Guidance §200.516(b)(8)]
 - i. Recommendations to prevent future occurrences of the deficiency identified in the audit finding? [Uniform Guidance §200.516(b)(9)]
 - j. Views of responsible officials of the auditee? [Uniform Guidance §200.516(b)(10)]
 - k. A reference number in the format (20XX-XXX) meeting the requirements of the data collection form submission required by 2 CFR, Part 200, section 200.512 Report submission, paragraph (b)? [Uniform Guidance §200.516(c)]
75. If state compliance findings are identified, does each finding include the following elements:
- a. Appropriate five-digit code number(s)? [2021-22 K-12 Audit Guide, Report Components 6.a.]
 - 10000 Attendance
 - 20000 Inventory of Equipment
 - 30000 Internal Control
 - 40000 State Compliance
 - 42000 Charter School Facilities Programs
 - 43000 Apprenticeship: Related and Supplemental Instruction
 - 50000 Federal Compliance
 - 60000 Miscellaneous
 - 61000 Classroom Teacher Salaries
 - 62000 Local Control Accountability Plan
 - 70000 Instructional Materials
 - 71000 Teacher Misassignments
 - 72000 School Accountability Report Card
 - b. Criteria? [2021-22 K-12 Audit Guide, Report Components 6.a.1]
 - c. Condition? [2021-22 K-12 Audit Guide, Report Components 6.a.2]
 - d. Effect? [2021-22 K-12 Audit Guide, Report Components 6.a.3]
 - e. Cause? [2021-22 K-12 Audit Guide, Report Components 6.a.4]
 - f. A statement of the number of units of ADA, by grade span, if any, that were determined to have been inappropriately reported for apportionment and an estimate of their dollar value; and a statement (which may include questioned costs) consistent with its basis of funding, for any inappropriately reported claim—such as number of unduplicated LCFF pupil counts or the dollar amount of inappropriate expenditures for restricted program? [2021-22 K-12 Audit Guide, Report Components 6.a.5]
 - g. A note stating whether the finding is a repeat of, or related to, a finding in the previous audit year, and a recommendation for the resolution of the finding? [2021-22 K-12 Audit Guide, Report Components 6.a.6]

- h. A corrective action plan prepared by the auditee that describes in specific terms the actions planned or taken to correct the problem, or a statement from the auditee that the corrective action recommended by the auditor is not necessary or appropriate and giving the specific reasons why, if that is the case, and a statement that the corrective action plan was not available if no corrective action plan was submitted before the audit report was prepared? [2021-22 K-12 Audit Guide, Report Components 6.a.7]

76. Does the audit report include the *Schedule of Prior Audit Findings*? [2021-22 K-12 Audit Guide, Report Components 6.b.]

Other

77. Do the auditor's reports include the manual or printed signature of the auditor's firm, the name of the city and state where the auditor practices, and the date of the report?
[AU-C §700.41, AU-C §700.42, and AU-C §700.43; AU-C §806.12(k) and
AU-C §806.12 (l); AU-C §935.30(k), AU-C §935.30(l), and AU-C §935.30(m)]

Authoritative References

FASB-ASC – Financial Accounting Standards Board *Accounting Standards Codification*

AU-C – AICPA *Codification of Statements on Auditing Standards*

GAGAS – *Government Auditing Standards* – 2011 Revision (Yellow Book)

GASB – Governmental Accounting Standards Board *Codification of Governmental Accounting and Financial Reporting Standards*

2021-22 K-12 Audit Guide – *2021-22 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, prescribed in Title 5, *California Code of Regulations*, section 19810

Uniform Guidance – Title 2, *Code of Federal Regulations*, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, Subpart F—
Audit Requirements

2 CFR – Title 2, *Code of Federal Regulations*